

Investing American Rescue Plan (ARP) and Preschool Development Grant (PDG) Funds to Address the Early Childhood Workforce Shortage

This letter was originally released by the ACF Office of Early Childhood Development (ECD) on October 13, 2021. To ensure all Head Start grant recipients receive it, we are sending it again.

Dear colleagues,

A strong, stable early care and education (ECE) workforce is essential to economic recovery, child learning and development, and overall family well-being. However, ECE programs across the country face unprecedented shortages in staff; a problem that existed prior to, and was exacerbated by, the COVID-19 pandemic. The child care industry is down more than 10 percent of pre-pandemic levels and child care staff hiring is more challenging than ever.

The U.S. Department of Health and Human Services' (HHS) Administration for Children and Families (ACF) released American Rescue Plan (ARP) Act funds last spring, with resources for states, Head Start programs, and other ECE programs to invest in recruiting, supporting and retaining staff. Additionally, ACF published guidance for Child Care and Development Fund (CCDF) [administrators](#) and Head Start program operators that strongly encourages these entities to use ARP funds to increase payments and compensation and benefits for the ECE workforce.

Federal investments in ECE programs are key to our nation's economic recovery from the pandemic, providing critical infrastructure for parents to work or to pursue training or education while their child is in an affordable, safe, nurturing and educationally enriching environment. We urge states, communities, and local programs to take bold action now to invest ARP funds and other sources of COVID-19 relief funding to address the current ECE workforce shortage this fall and beyond. Some of the strategies that states, communities, and early childhood programs may use to support the ECE workforce in the short-term include:

- Improve child care subsidy payment rates to providers.
- Increase staff wages or provide one-time incentives, such as hiring or retention bonuses.
- Provide benefits including paid leave, health insurance, child care and retirement benefits.
- Fund scholarships and time off for training or enrollment in educational coursework, apprenticeships, or other practice-based learning that leads towards a credential or degree.
- Expand shared services models, substitute pools, and family child care networks.

- Provide staff wellness supports such as guaranteed breaks during the work day, access to adult-sized furniture in classrooms, mentoring and coaching, and/or mental health consultation for ECE staff and providers.

We also encourage states and territories to leverage their Preschool Development Grant Birth to Five grants, in keeping with their early childhood care and education system building plans, to address the current ECE workforce shortage.

Last week, we released [guidance](#) from the Office of Head Start that describes additional specific strategies to support staff wellness with ARP and other COVID-19 relief funding. Examples of promising strategies used by states and local programs to recruit and retain a strong ECE workforce are also highlighted in [this appendix](#) along with selected resources and federal investments to support your efforts. The Office of Child Care is continually releasing new technical assistance products and offering regular office hours for states to learn from peers, to ask questions, and to obtain support. If you need additional support or technical assistance to address the ECE workforce shortage in your state or local community, please contact your ACF regional office [program staff](#).

Thank you for your commitment to serving young children and families,

Sincerely,

Katie Hamm
Deputy Assistant Secretary
Office of Early Childhood Development

Dr. Bernadine Futrell
Director
Office of Head Start

Dr. Ruth Friedman
Director
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